



CONNECTICUT

TESTIMONY OF
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)
BY

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SUPPORTING

**HB-5506, AN ACT CONCERNING THE TAXATION OF TELECOMMUNICATIONS COMPANY
PROPERTY AND UTILITY DEPOSITS FOR BUSINESS CUSTOMERS**

**BEFORE THE
ENERGY & TECHNOLOGY COMMITTEE**

MARCH 16, 2010

A non-profit, non-partisan organization founded in 1943, NFIB is Connecticut's and the nation's leading small-business association. In Connecticut, NFIB represents thousands of members and their employees and membership is scattered across the state and ranges from sophisticated high technology enterprises to single-person "Mom & Pop" shops that operate in traditional ways. NFIB's mission is "*To promote and protect the right of its members to own, operate, and grow their businesses.*" On behalf of those small- and independent- job-providers in Connecticut, I thank the Committee for raising and hearing HB-5506 and I offer the following comments:

NFIB/Connecticut supports Section 2 of this bill as an attempt to assist struggling small businesses that face some of the highest electrical and other energy costs in the nation. In the 2008 edition of "*Small Business Problems & Priorities*" by the NFIB Research Foundation, two energy-related topics ranked in the top 10 problems faced by all small business owners nationally. "Energy Costs, Except Electricity" ranked as the 2nd greatest problem of concern from small business owners, up from its 4th position in 2004. This problem is deemed as "critical" by 43 percent of small business owners. "Electricity Costs (Rates)" ranked 9th in 2008, up from 10th in 2004 and 19th in 2000. Anecdotally, however, we know that this problem is indeed greatly exacerbated for Connecticut's small businesses.

Generally, small business owners use energy for a number of purposes essential to their business, including lighting, heating and/or cooling and operating equipment. Rising electricity costs in particular have great consequences for small businesses.

Start-ups and new businesses, however, are particularly vulnerable to not only the high cost of energy, but also the fluctuating rates. Recent surges in energy costs, combined with the current credit crunch, form a barrier that many businesses cannot afford. Entrepreneurs, who are already risking their own capital in trying to get a business off the ground, are often faced with restricted cash flow and view large security deposits for utilities as one more impediment to their success.

NFIB therefore urges you to support HB-5506, which will go a long way to help entrepreneurs get their businesses off the ground and help them and regulators alike understand one of the many economic challenges small businesses are facing.